

ASSEMBLY BILL

No. 1137

Introduced by Assembly Member V. Manuel Pérez

February 18, 2011

An act to amend Section 6300 of, to add Chapter 4.2 (commencing with Section 6315) and Chapter 4.3 (commencing with Section 6317) to Division 7 of Title 1 of, the Government Code, relating to economic development.

LEGISLATIVE COUNSEL'S DIGEST

AB 1137, as introduced, V. Manuel Pérez. Economic development: foreign trade.

Existing law authorizes any public corporation, as defined, and specified private corporations to apply for the privilege of establishing, operating, and maintaining a foreign-trade zone in accordance with specified provisions of federal law, and authorizes any public or private corporation whose application is granted pursuant to those provisions of federal law to establish, operate, and maintain the foreign trade zone, subject to specified conditions and restrictions.

This bill would require these provisions of existing law to be known, and would authorize them to be cited as, the Foreign Free Trade Zone Act.

This bill would establish the California Foreign Investment Program, require the Secretary of Business, Transportation and Housing to serve as the lead state entity under specified provisions of the federal Immigration and Nationality Act, and require the secretary to set the terms and conditions for issuing a state designation letter within the structure and scope of those provisions of federal law.

This bill would also establish the California Export Gap Financing Program, and authorize the secretary to apply for and receive federal funding for the implementation of a state and federal export financing program. The bill would require the secretary, upon receipt of moneys pursuant to that application, to implement a program that meets specified conditions. The bill would require the secretary to report on the program, as specified, and to annually post on the agency's Internet Web site a summary of the programs, annual activities, and key achievements, and a summary of the information related to the requirements of the program. The bill would authorize the secretary to adopt regulations to implement the program, as specified.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 6300 of the Government Code is amended
2 to read:

3 6300. ~~As~~ (a) *This chapter shall be known and may be cited*
4 *as the Foreign Free Trade Zone Act.*

5 (b) As used in this chapter, "public corporation" means the ~~State~~
6 *state*, any political subdivision thereof, any incorporated
7 municipality therein, any public agency of the ~~State~~ *state*, of any
8 political subdivision thereof, or of any municipality therein, or any
9 corporate municipal instrumentality of this ~~State~~ *state* or of this
10 ~~State~~ *state* and one or more other ~~States~~ *states*.

11 SEC. 2. Chapter 4.2 (commencing with Section 6315) is added
12 to Division 7 of Title 1 of the Government Code, to read:

13
14 CHAPTER 4.2. CALIFORNIA FOREIGN INVESTMENT PROGRAM
15

16 6315. (a) This chapter shall be known and may be cited as the
17 California Foreign Investment Program.

18 (b) (1) As used in this chapter, "public corporation" means the
19 state, any political subdivision thereof, any incorporated
20 municipality therein, any public agency of the state, of any political
21 subdivision thereof, or of any municipality therein, or any corporate
22 municipal instrumentality of this state or of this state and one or
23 more other states.

1 (2) As used in this chapter, “Immigration and Nationality Act”
2 means Section 203(b)(5) of the Immigration and Nationality Act
3 (8 U.S.C. Sec. 1153(b)(5)).

4 6315.1. (a) The Secretary of Business, Transportation and
5 Housing shall serve as the lead state entity under the Immigration
6 and Nationality Act. The secretary shall set the terms and
7 conditions for issuing a state designation letter within the structure
8 and scope of the Immigration and Nationality Act.

9 (b) Any public or private corporation may apply for the privilege
10 of establishing, operating, and maintaining a regional center in
11 accordance with the Immigration and Nationality Act.

12 (c) Any application for designation as a regional center shall be
13 accompanied by a letter of support from the secretary attesting to
14 the legal status of the applicant and that the applicant has agreed
15 to the reporting and monitoring terms of the Business,
16 Transportation and Housing Agency.

17 (d) The secretary shall not sign any designation letter without
18 the applicant first entering into an agreement with the agency to
19 meet the agency’s reporting and monitoring requirements.

20 (e) The secretary shall post on the agency’s Internet Web site
21 a list with contact information for each regional center applicant
22 that receives a designation letter from the secretary.

23 6315.2. (a) Any public or private corporation authorized by
24 this chapter to apply to establish, operate, and maintain a regional
25 center whose application is granted pursuant to the terms of the
26 Immigration and Nationality Act may establish, operate, and
27 maintain the regional center subject to the conditions and
28 restrictions of the Immigration and Nationality Act, and any
29 amendments thereto, and any conditions and restrictions established
30 by the secretary pursuant to this chapter.

31 (b) If authorized to establish, operate, and maintain a regional
32 center, a public corporation may, in addition to its other powers,
33 do either of the following:

34 (1) Provide for indemnity or assurance to the federal government
35 or its agencies as they may request.

36 (2) Deposit moneys with the federal government, as the federal
37 government or its agencies may request, provided those moneys
38 are available by direct appropriation or otherwise.

39 SEC. 3. Chapter 4.3 (commencing with Section 6317) is added
40 to Division 7 of Title 1 of the Government Code, to read:

1 CHAPTER 4.3. CALIFORNIA EXPORT GAP FINANCING PROGRAM

2
3 6317. This chapter shall be known and may be cited as the
4 California Export Gap Financing Program.

5 6317.1. (a) The Secretary of Business, Transportation and
6 Housing may apply for and receive federal funding for the
7 implementation of a state and federal export financing program.
8 Upon receipt of any moneys pursuant to this application, the
9 secretary shall cause to be implemented a program that meets the
10 conditions of the federal program and all of the following
11 conditions:

12 (1) Development of the program shall include local
13 governments, economic development organizations, trade
14 organizations, financial institutions, small business organizations,
15 the federal Small Business Administration, the federal Rural
16 Development initiatives administered by the United States
17 Department of Agriculture, and financial and community
18 intermediaries that are engaged or could be engaged in trade
19 development.

20 (2) Among other elements, the program shall also include all
21 of the following:

22 (A) A clear statement of the program's objectives.

23 (B) A method for establishing a baseline and measurement of
24 whether the objective was achieved on an annual basis.

25 (C) Reporting requirements for assisted businesses consistent
26 with the program's objectives.

27 (D) An identification of related state programs that would add
28 value to the overall program if implemented in a collaborative
29 fashion.

30 (E) A method for ensuring program resources are available to
31 all areas of the state.

32 (3) In reporting on the program, the secretary shall address, but
33 not be limited to, the number of businesses assisted, the size of
34 those businesses by number of employees and gross revenues, the
35 number of jobs created and retained, and an estimate of the
36 economic impact of the financial assistance.

37 (b) The secretary shall annually post on the Business,
38 Transportation and Housing Agency's Internet Web site a summary
39 of the programs, annual activities, and key achievements, and a

1 summary of the information related to the requirements of
2 subdivision (a).

3 (c) If the federal requirements prohibit any of the requirements
4 of this act, the secretary shall notify the relevant policy and fiscal
5 committees of the Legislature about the federal programmatic
6 limitation. The secretary may waive any of the requirements of
7 paragraph (2) of subdivision (a) if the secretary determines doing
8 so is necessary to fulfill federal requirements for the
9 implementation of the export financing program.

10 (d) The secretary may adopt regulations to implement the
11 provisions of this chapter. The secretary may adopt emergency
12 regulations to implement the provisions of this chapter if necessary
13 to meet the time lines established by the federal government.